

The Director of Central Intelligence

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78-2054/1

OLC # 73- 2042/6

21 JUL 1979

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The Honorable Birch Bayh, Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In its recommendations concerning the FBI's FY 1978 FCI Program Budget, the Senate Select Committee on Intelligence requested that any deviation from the Committee's authorized level or any major or significant shift within that level be brought to the Committee's attention within fifteen days of its occurrence. Although this request was contained in the FY 1979 budget recommendation, in keeping with the intent of the Committee, the FBI has prepared a memorandum concerning underspending in the FBI's FY 1977 and FY 1978 FCI Program Budgets. Attached is a copy of the FBI's memorandum.

I would like to add a few summary points concerning the control of the underspending problem in FY 1979. In particular, I am trying to anticipate the question: "If the FBI were underspending the FCIP in FY 1977 and FY 1978, then why should we not believe they will underspend in FY 1979 and, therefore, not need all the funds they have requested?"

The underspending that occurred in FY 1977 and FY 1978 was due in part to inadequate information available to management. The Resource Management Information System (RMIS) was initially instituted in October 1976 in the FBI to provide tools which will allow a determination to be made of resources being applied and the results of this expenditure. One integral component of RMIS is the Time Utilization Record-Keeping (TURK) System which measures the efforts of the FBI's field personnel in terms of man-hours expended. As a practical matter, the system became efficiently operational about a year later in October 1977. During that development period the FBI's FCIP was broken down in additional categories to provide better data for more efficient monitoring of FCIP activities. TURK enables FBI managers to monitor spending rates in a timely way, allowing them to take corrective actions, if required.

FBI REVIEW COMPLETED

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Since the attached report was written, I am advised the FBI has taken additional actions to meet the FCIP resource target for FY 1979.

- o 94 Special Agents were reassigned in June from other programs into FCI work at several field offices;
- o Field Office Chiefs (i.e., Special Agents-in-Charge) now cannot divert manpower from FCI for more than three days without Headquarters' approval; and
- o FBI Headquarters is now analyzing FCI resource needs of field offices in detail. Based on this analysis, specific FCI resource utilization objectives are to be issued to Special Agents-in-Charge, with compliance to be monitored by the TURK system.

It appears that the use of a new system, together with the other positive management actions cited should assist the FBI in addressing the underspending problem.

Yours truly,

/s/ Stansfield Turner

STANSFIELD TURNER

Attachment:

FBI Memo (C1-3) 62-117070,
dated 28 June 1978

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

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WASHINGTON, D.C. 20535

OLC # 78-2242/A

(CI-3) 62-117070

June 28, 1978

UNITED STATES SENATE SELECT
COMMITTEE ON INTELLIGENCE (SSCI)

UNITED STATES HOUSE PERMANENT
SELECT COMMITTEE ON INTELLIGENCE (HPSCI)

RE: FBI FOREIGN COUNTERINTELLIGENCE (FCI) BUDGET,
NATIONAL FOREIGN INTELLIGENCE PROGRAM (NFIP)

Reference is made to a letter from the SSCI to Admiral Stansfield Turner, Director of Central Intelligence, Washington, D. C., dated May 19, 1977, enclosing a bill authorizing Fiscal Year (FY) 1978 appropriations for intelligence activities of the United States Government. Also, reference is made to a memorandum from the FBI to the SSCI, dated October 7, 1977, captioned, "Fiscal Year (FY) 1978 FCI Program Resource Allocation." Finally, reference is made to the SSCI's recommendations concerning the FBI's FY 1979 FCI Program budget, which were furnished to the FBI by memorandum, from Mr. John E. Koehler, Deputy to the Director of Central Intelligence for Resource Management, Washington, D. C., dated April 20, 1978, captioned, "Senate Select Committee on Intelligence Recommendations." (U)

The SSCI FCI authorization for the FBI for FY 1978 was \$58.5 million. The FBI's referenced letter of October 7, 1977, advised the SSCI that as a result of more precise data regarding manpower utilization, as a result of the FBI's newly operational Time Utilization and Record Keeping (TURK) system, and the inclusion of the Standard Level Users Charge (SLUC) (payments to General Services Administration)

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Classified by 1929
Exempt from GDS, Categories 2 and 3
Date of Declassification Indefinite

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RE: FBI FOREIGN COUNTERINTELLIGENCE (FCI) BUDGET,
NATIONAL FOREIGN INTELLIGENCE PROGRAM (NFIP)

allocable to our investigative programs, the FBI's FY 1978 FCI budget projection was revised upward to \$66.18 million. The adjusted figure represented a more accurate accounting of funds and not a formal reprogramming as such. (S)

In its recommendations concerning the FBI's FY 1979 FCI Program budget, the SSCI noted that the Committee recognized the managerial difficulties in accounting for and monitoring expenditures for FCI operations, but requested that in the future any deviation from the Committee's authorized levels or any major or significant shift within that level be brought to the Committee's attention within fifteen days of its occurrence. In keeping with the request of the SSCI, you are advised that the FBI's field FCI Program activities are currently experiencing a 16.316% shortfall. This shortfall projection is expressed in terms of actual FY-to-date expenditures in direct field agent work-years. The exact dollar amounts are not available at this time and this shortfall does not take into consideration the one other FCI Program activity, Coordination of Investigations at FBI Headquarters (FBIHQ), for which no figures are now available. The preponderant portion of the FBI's total FCI Program, however, is made up of its field program activities. (S)

As a background you should know the FBI's total FCI Program for budgetary purposes is broken down into three parts:

- Coordination of FCI Investigations
- FCI Field Investigations
- FCI Assets.

The FCI Coordination budget package is a part of the overall FBIHQ Coordination budget package. The FCI Portion of the FBIHQ Coordination package represents the budget request

RE: FBI FOREIGN COUNTERINTELLIGENCE (FCI) BUDGET,
NATIONAL FOREIGN INTELLIGENCE PROGRAM (NFIP)

for providing personnel such as FCI senior managers, supervisors, analysts, support personnel and other object classes such as equipment, supplies, etc., at FBIHQ. The FCI Field Investigations budget package represents the budget request for conducting FCI investigations throughout the field. The FCI Assets budget package represents the budget request for resources to recruit and operate FCI assets. (S)

The fact that FCI programs are separately funded and accounted for under the NFIP theoretically assures that FCI funds are not diverted to other FBI investigative responsibilities. However, manpower has been regularly diverted from FCI to other responsibilities within the 59 FBI field offices as exigencies in other investigative programs developed. Such diversions of manpower, of course, have been charged to the non-FCI areas of the FBI's budget. (S)

Special Agents in Charge (SACs) of FBI field offices have always been given the authority to deploy their manpower resources commensurate with the investigative exigencies then existing within their offices. Thus, in the event of a major crime such as kidnaping, the SAC has the flexibility to divert, temporarily, manpower from FCI or other specialized programs in order to resolve the higher priority matter. The smaller the field office, the more important this flexibility has been. The setting of specific mandated levels of effort, in terms of monetary and especially manpower resources, represents a new management system for the FBI. Some deviations from the mandated levels are occurring as the FBI adjusts to this new system. (S)

Complicating this situation has been the advent on January 1, 1978, of mandatory retirement at age 55 for Special Agent (SA) personnel. Many of the SAs in FCI programs have been older, more experienced agents.

RE: FBI FOREIGN COUNTERINTELLIGENCE (FCI) BUDGET,
NATIONAL FOREIGN INTELLIGENCE PROGRAM (NFIP)

Mandatory retirements cut deeply into FCI complements in many field offices. In addition, many other senior SAs have unexpectedly retired prior to their mandatory retirement age. This has resulted in a temporary shortage of SAs in the field, while new SAs are hired and trained. (S)

Until the last several years most of the FBI's FCI work was concentrated in several large establishment offices, and the majority of the FCI work is still in these same offices; however, there is a definite trend for significant and complex cases developing in those offices wherein an insignificant amount of FCI work existed in the past. With the increase in numbers, and a much expanded geographic access, by criteria country persons, the smaller outlying offices are becoming much more involved in FCI cases. Because of the complexity of these cases SAs, who have limited or no experience with FCI matters, need additional training and experience to develop their capability in this program. Increased efforts in these nonestablishment offices are expected to reduce, somewhat, shortfalls in the FCI budget. (S)

Executive level FBI officials are aware of the shortages in the FCI Program. Ongoing analyses of the FCI Program continue to indicate limitations of vital investigations in many areas, as a result of manpower shortages. The FBI is currently in the process of reallocating additional SAs into the FCI Program. Furthermore, stricter accountability and control of FCI manpower has now been mandated by the Director of the FBI. The FBI expects that the reallocation of the SAs into the FCI Program, along with additional FCI manpower controls, will result in the FCI field program activities consuming manpower during the fourth quarter of FY 1978, at a level approximately 10.5% below that which was budgeted for. Additionally, each SAC is being required to submit an updated assessment of the FCI Program in his office together with recommendations for its enhancement by the end of

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RE: FBI FOREIGN COUNTERINTELLIGENCE (FCI) BUDGET,
NATIONAL FOREIGN INTELLIGENCE PROGRAM (NFIP)

June, 1978. Each plan will be analyzed, revised if necessary, and approved by FBIHQ. Specific targets and goals will be reemphasized for each office. This action is expected to result in additional manpower reallocations into the FCI Program. (S)

The shortfall situation has been increasing in intensity since the beginning of FY 1978, but approximately one quarter of the FY was passed prior to the TURK system indicating a true picture of what was taking place. Currently, additional limitations of vital investigations have been occurring as manpower levels have dropped as a result of the retirements of large numbers of experienced SAs. As it now appears, it will be extremely difficult to avoid a shortfall this FY. (S)

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- 5 -

Approved For Release 2004/07/08 : CIA-RDP81M00980R002900010033-4